CITY OF VANCOUVER
PLANNING DEPARTMENT

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PLANNING DEPARTMENT

REPORTS TO COUNCIL

SUBJECT: Vancouver Plan Housing Program: Summary Report

DATE: March 20, 1985

OTHER:

The Director of Planning submitted the attached report to the Planning and Development Committee on March 28, 1985.

COMMITTEE ACTION:

CITY COUNCIL ACTION:

86-02452/

SUPPORTS ITEM NO. 3
PLANNING AND DEVELOPMENT AGENDA
MARCH 28, 1985

MANAGER'S REPORT

DATE: March 20, 1985

TO: Standing Committee of Council on Planning and Development

SUBJECT: Vancouver Plan Housing Program: Summary Report

CLASSIFICATION: RECOMMENDATION

The Director of Planning, under date of 1985 March 20, has submitted a report on the above subject. In summary, he states:

"PURPOSE

In 1984 Council endorsed a work program to implement **The Vancouver Plan: The City's Strategy for Managing Change. The Vancouver Plan** recommends increasing housing opportunities in the city as an adaptable and cost-effective response to an uncertain future. In the attached status report, the Director of Planning describes the work underway in pursuit of the plan's housing initiatives, and outlines a work program for the remainder of 1985.

BACKGROUND

On June 19, 1984 Council approved **The Vancouver Plan** work program. The housing portion of the program requires staff to:

1. Incorporate housing initiatives in area planning programs already underway.
2. Identify future initiatives:
   - Review alternative strategies for achieving density increases;
   - Provide more detailed information on the application of the density increase criteria, and identify specific areas where density increases should be negotiated;
   - Initiate area planning programs to discuss density increases.
3. Review and update the City's social housing targets.

This report describes progress on item 2--identifying future initiatives.

STATUS OF WORK UNDERWAY

Review of Alternative Strategies for Achieving Density Increases

Staff have reviewed the advantages and disadvantages of several frequently discussed ways to respond to future housing requirements. A composite strategy with four key objectives is recommended. These are to:

- locate new housing potential to minimize public costs;
- add housing potential in areas which minimize demolitions and maximize net unit yield;
- locate additional housing potential in areas where communities are most receptive;
- expand choice of housing as community needs change.

Application of criteria to identify and recommend areas appropriate for higher densities.

Work is underway on the application of criteria for increasing density. Criteria being investigated include fiscal impacts and neighbourhood compatibility. To the extent areas appear to be suitable for more housing, this will be considered when identifying future consultative local area planning programs. Housing possibilities will be considered in tandem with other neighbourhood concerns.

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RECOMMENDATIONS

The Director of Planning recommends:

That Council approve The Vancouver Plan housing work program described in the report of the Director of Planning dated February 20, 1985."

The City Manager RECOMMENDS approval of the foregoing recommendation of the Director of Planning.

PLANNING DEPARTMENT

DATE: 1985 03 20

TO: City Manager (for Standing Committee of Council on Planning and Development)

SUBJECT: Vancouver Plan Housing Program: Status Report--Approach and Work Program

CLASSIFICATION: RECOMMENDATION

The Director of Planning reports as follows:

PURPOSE

In 1984 Council endorsed a work program to implement **The Vancouver Plan: The City's Strategy for Managing Change.** **The Vancouver Plan** recommends increasing housing opportunities in the city as an adaptable and cost-effective response to an uncertain future. In this status report, the Director of Planning describes the work underway in pursuit of the plan's housing initiatives and outlines a work program for the remainder of 1985.

BACKGROUND

The Vancouver Plan describes the challenges and choices facing the city. The housing section concludes that zoning constrains the number and type of new units that can be built and the use that can be made of existing dwellings. An imbalance between a limited capacity to accommodate new employees and a potential for substantially more employment growth in the city is the main reason for adding more housing opportunity. In the absence of sufficient housing in the city, prices will rise and increases in housing demand will be met by illegal alterations to the existing stock and by costly and disruptive commuting. More flexible zoning and a substantial zoning surplus above actual demand will help ensure consumer choice and competitive land prices.

Recent indicators suggest employment growth has moderated. This could be interpreted to suggest that the urgency to add housing potential has lessened. This is not the case. The basic imbalance between housing capacity and the potential for for core employment growth remains a fundamental concern. Irrespective of immediate economic prospects, tenants are being displaced by redevelopment of existing apartments. This displacement is caused in part by insufficient land zoned for multiple use in relation to the demand to live in high amenity areas of the city. In other neighbourhoods, the existing population is aging and new and different demands are being placed on the city's housing and neighbourhoods. Several longstanding issues, such as illegal secondary suites, also require resolution. Responses to these concerns are being folded into the housing portion of **The Vancouver Plan** work program. This program, approved by Council on June 19, 1984, requires staff to:

- Incorporate housing initiatives in area planning programs already underway.
- Identify future initiatives:
  - Review alternative strategies for achieving density increases;
  - Provide more detailed information on the application of the density increase criteria, and identify specific areas where density increases should be negotiated;
  - Initiate area planning programs to discuss density increases.
- Review and update the City's social housing targets.

In pursuing these tasks, the housing program has taken three thrusts: firstly, to take some immediate actions to increase housing potential; secondly, to identify areas for possible future density increases; and thirdly, to continue to actively implement the City's social housing program. Some additional housing potential is already being considered around ALRT stations, at B.C. Place, and through local area planning programs. These are first steps toward meeting **The Vancouver Plan** objectives. Details of these initiatives and the 1985 social housing program will be reported separately. This report describes progress on identifying future initiatives.

REVIEW OF ALTERNATIVE STRATEGIES FOR ACHIEVING HOUSING INCREASES

The Vancouver Plan described two ways of responding to the future housing requirements of core employees--increase commuting to outlying municipalities and building more housing in the city.

Increase Commuting

Recalling **The Vancouver Plan** discussion, increased commuting to outlying municipalities is a costly alternative requiring transportation improvements, new investment in suburban infrastructure, and loss of agricultural and other environmentally sensitive lands. As well, it is not supportive of the City's recently adopted economic strategy which recommended adding more housing close to employment.

Keeping the existing zoning capacity will retain the physical character of most existing city neighbourhoods; an important consideration to many people who responded to **The Vancouver Plan**. However, ensuring housing opportunities for people with modest and lower incomes was also an important consideration. If the supply of housing is limited, prices will rise. Households with lower incomes will find it increasingly costly to live in Vancouver, some will be displaced, and the social character of neighbourhoods will change.

Limiting housing supply in the city may also speed up decentralization of jobs. If the city's intent is to facilitate decentralization, we should be explicit about this objective by adjusting the **Vancouver Economic Strategy** and by pursuing the growth management techniques outlined in **The Vancouver Plan**. Strangulation of the housing supply is an inequitable, inefficient, and disruptive way to achieve decentralization.

Given these concerns, **The Vancouver Plan** concluded that the commute alternative should only be pursued after first exploring opportunities to add housing in the city.

Build More Housing in the City

Work has started on the identification of alternative strategies for achieving housing increases. The Planning Department has completed a preliminary review of three frequently discussed ways to respond to future housing requirements: redevelop existing residential land, redevelop non-residential land, and gradual intensification. The strategies described below are representative, though by no means all-inclusive, of the various ways the city might select areas for housing increases. There are advantages and disadvantages to each strategy.

Redevelop Existing Residential Land to Higher Densities

In the past, cities have grown by gradual expansion outward from the downtown, along transportation routes, and around local shopping centres. In the process, higher-density housing replaces lower-density dwellings.

Planned concentric growth has the advantage of locating new housing near employment, shopping, and transportation. However, there are disadvantages to extending multiple zones outward. Many of Vancouver's inner-city areas require expensive improvements in municipal services to support an increased population. Most have recently adopted plans and undergone neighbourhood improvement based on stabilization and conservation. Most inner areas are already built at moderately high densities. To realize any substantial increase in housing numbers, densities would have to be very high and substantial demolition of affordable rental stock and ground-oriented units could result.

Redevelopment can also be clustered around local shopping districts and transit stations or located on transportation corridors and near amenities. High density centres, such as Kerrisdale, provide substantial increases in housing and offer diversity of housing choice in otherwise single-family areas. If new development is clustered, most existing neighbourhoods are unaffected.

Redevelop Non-residential Lands for Housing

During the past decade, several increases in housing have taken place through the redevelopment of non-residential lands such as False Creek and Champlain Heights. The advantage of redeveloping larger, vacant sites is a planned development where servicing can be efficiently provided and where an income mix is possible. A high net yield will result since few, if any, homes are demolished to make way for redevelopment. During the next decade, B.C. Place will provide another "new-town-in-town". However, there are few non-productive lands remaining in the city. The advantages of meeting The Vancouver Plan housing requirements through redevelopment of non-residential lands must be weighed against other concerns such as retaining industry and industrial jobs.

Gradual Intensification of Densities

Another way of adding housing is by gradual intensification of densities through small-scale, scattered-site infill in single-family areas and through permitting conversion of existing housing.

Scattered-site infill has been permitted through CD-1 rezonings. A recent study of CD-1 townhouse developments in Vancouver's single-family areas confirms sustained opposition from immediate neighbours to scattered-site multiple housing. However, the study did indicate support for more choice of housing types throughout the city provided the multiple units are carefully located on the fringe of single-family neighbourhoods, and adjacent to local shopping and community services.

Conversion of single-family homes to permit secondary suites could add more housing capacity with minimal change to the physical character of neighbourhoods. However, a recent evaluation of RS-1A areas indicates that changing zoning to permit secondary suites did not result in many additional legal units. Revisions to the currently restrictive zoning may increase the attractiveness of the suite option, but we will not know for sure until we try. Planners working with local area committees note increasing receptiveness to secondary suites and other small-scale infill such as duplexes, accessory cottages, and townhouses provided units are added in a way which is compatible with existing housing.

A Composite Strategy for Adding Housing Potential

The Vancouver Plan identified several concerns about the city's housing situation. While the previous three strategies address some of the concerns none fully responds to the objectives of The Vancouver Plan. These require a composite strategy which maximizes benefits, minimizes costs, and enjoys public support. Four concerns and suggested city responses follow.

Concern:
Costs of change.

Response:
Locate new housing potential to minimize public costs.

The costs of change can be minimized by locating additional housing potential in areas with surplus physical and social services, thereby minimizing the need for new investment in infrastructure, and close to employment, shops, or transit, thus minimizing the need for transportation investment. A first-cut review of areas with excess service capacities indicates that redevelopment will be least costly if new housing potential is located in the downtown, through the Cambie-Granville corridor, and on the west side. New housing should be located so as to maximize the return from public investment; for example, close to ALRT stations.

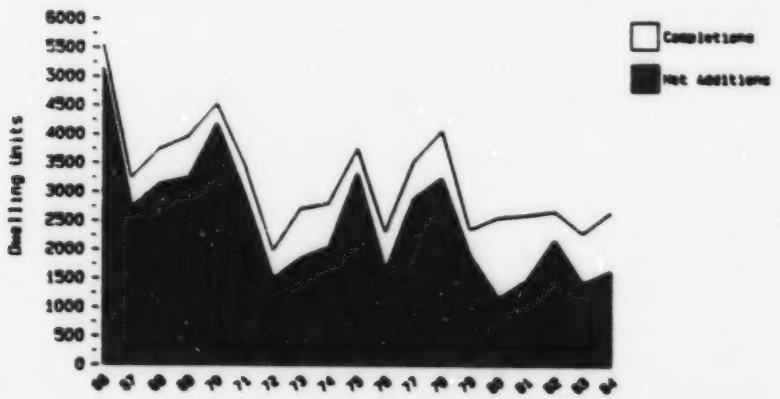
The costs of change can also be minimized by protecting the stock of existing apartments. When affordable rental housing is demolished, pressures increase to build more social housing.

Concern:
Demolition of existing housing resulting in decreasing net additions to the city's housing stock. This is caused in part by limited zoned potential for more housing.

Response:
Add housing potential in areas which minimize demolitions and maximize net unit yield.

Because new construction often involves the redevelopment of sites and demolition of older housing, the number of completions is larger than the net additions to the city's housing stock each year. Allowing for demolitions, the city's housing stock now increases at just under one percent annually. On average, fewer units were added to the city's housing stock in the 1980s than in the 1970s, and fewer were added in the 1970s than in the 1960s.

CITY HOUSING: COMPLETIONS AND NET ADDITIONS



In part, the decrease in net additions to the city's housing stock is a result of limits on the amount of land zoned for multiple use. To meet the market for new condominiums, existing apartment sites are being redeveloped. In the Kerrisdale, Kitsilano, and South Granville apartment areas, on average three units are demolished for every four new units built. Three existing tenants are displaced for a net increase of one unit to the city's housing stock.

There is no evidence that various demolition and conversion control measures will substantially alter the gradual displacement of modest income tenants by higher income households. One of the few ways, within the city's jurisdiction, to address this issue is to ensure there are sufficient sites zoned for multiple use.

Net additions to the city's housing stock are likely to be greater and the outcome is likely to be more equitable if new zoning is added in areas where its takeup does not result in the demolition of large numbers of sound and affordable dwellings. If sites are selected to maximize housing production, housing prices will be more favourable to the consumer, more households will be able to live in the city, and there will be less pressure to spend public funds on transportation. However, the City will have to make some difficult choices such as whether or not to upzone some single-family areas and deciding between competing residential and commercial/industrial land uses.

Concern:
Community disruption caused by changes in zoning.

Response:
Locate additional housing potential in areas where communities are most receptive.

Community disruption can be minimized by:

- adding housing potential in areas where the existing community is receptive to change;
- respecting recently adopted area plans and acknowledging areas where NIP and RRAP funds have been spent to upgrade and stabilize communities;
- implementing programs to maintain and enhance livability as density increases;
- gradual intensification through conversions and infill phased to respond to the changing needs of area residents;
- building multiple housing near non-residential uses;
- focussing changes in density to minimize the extent of community disruption.

During the past few years, areas meeting some of these criteria have accepted increased densities. Fairview Heights and the Marpole Triangle are two examples where comprehensive area planning has facilitated acceptable tradeoffs in return for increased densities. The Hastings-Sunrise Plan, recently adopted by the area planning committee but not as yet approved by the community and Council, proposes some intensification.

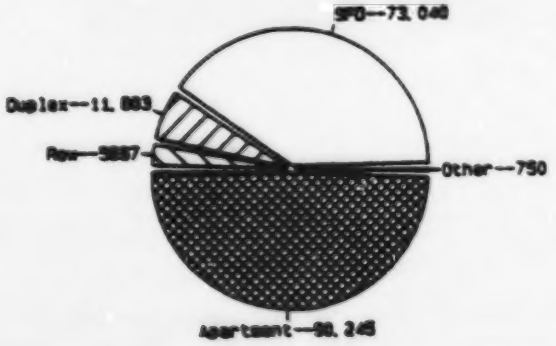
Discussions of increased housing potential are already underway around ALRT stations where residents have accepted change provided they receive benefits such as ALRT mitigation and improved public services in tandem with a form of change that reflects their area's character. However, we are not aware of many other areas where residents are anticipating more housing. One of the objectives of the housing program will be to identify such areas.

Concern:
Mismatch between the housing stock and future housing needs.

Response:
Expand choice of housing as community needs change.

Most of Vancouver's housing stock is either market apartments (47 percent) or detached single-family homes (40 percent).

Vancouver Housing Stock, January 1985



This stock meets many, but not all, consumer needs. Apartments do not respond to what we and Greater Vancouver Development Services have identified as a strong demand during the next few decades for grade-related housing. Detached single- family homes are expensive to buy and service. They may be larger than required by today's smaller households and are not efficient in their use of land.

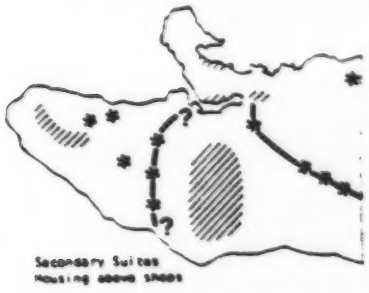
In response to these shortfalls in the present housing stock, **The Vancouver Plan** recommends that the city explore a variety of housing opportunities to reflect changing community needs. Housing choices can be expanded by conversion of existing housing, by increasing the stock of medium-density grade-related housing, and by continuing to facilitate the provision of non-market housing.

These actions may be controversial in some single-family areas. However, as a community ages, housing and service needs change. An analysis of single-family areas suggests that during the next two decades many of the present householders will retire from the labour force and, as they age, will likely seek other housing. If recommendations to gradually intensify single-family areas through conversions and infill coincide with changing needs of those who live in the area, then change may be supported by more residents than in the past. But expanding housing choice for some will be seen as a threat by others.

Key Objectives

Adding additional housing potential to the city will not be easy. However, the choices about area and timing will be greatly clarified and facilitated by paying close attention to the concerns and responses articulated above. The responses should become the key objectives of the housing program and form the criteria which will help to identify areas appropriate for higher densities. During 1985, staff will direct their efforts toward identifying areas which meet all or most of the following four key objectives:

- locate additional housing potential to minimize public costs;
- add housing potential in areas which minimize demolitions and maximize net unit yield;
- locate additional housing potential in areas where communities are most receptive and where community disruption is minimized;
- expand choice of housing as community needs change.



EXAMPLE AREAS MEETING SOME OR ALL OF THE CITY CRITERIA

Preliminary analysis suggests there are some areas and actions which may meet the key objectives. However, it must be noted that the identification of areas which appear to be suitable for more housing based upon these four criteria should not be interpreted as an indication of immediate change. We hope to identify more areas and actions than will be necessary to meet the immediate **Vancouver Plan** objectives.

To the extent areas appear to be suitable for more housing, this will be considered when identifying future consultative local area planning programs. Housing possibilities require extensive neighbourhood discussion and must be considered in tandem with other neighbourhood concerns.

APPLICATION OF CRITERIA TO IDENTIFY AND RECOMMEND AREAS APPROPRIATE FOR HIGHER DENSITIES

Work is underway on the application of density increase criteria. To facilitate analysis, the criteria have been separated into two groups: fiscal impact criteria and neighbourhood criteria.

Fiscal Impact Criteria

The City's physical and social infrastructure is being reviewed to determine the municipal service requirements of different density increase options. Staff are examining the likely impact which these changes would have on municipal revenues and expenditures.

Planning (assisted by Engineering, Fire, Health, Library, Parks, and Police) has been learning about the relationships between neighbourhood characteristics (households and housing stock) and service requirements. From this information we will estimate changing service requirements and costs expected as the stock and population ages or as density increases. This work is well underway with results expected before mid-year.

We are also identifying how much capacity remains in existing capital facilities such as sewers, community centres, and fire halls and where the excess capacity is located. Based upon this work we will have a better understanding of where residential densities could be increased at the lowest cost to the city. Capacity data is now being collected but this work will not start in earnest until about mid-year.

Information on service capacities and costs will be combined with other criteria to generate recommendations on specific areas where density increases should be discussed with the community.

Preliminary work on this topic suggests that the benefits of the analysis may be considerably more wide-reaching than the housing program. For example, the recent Federation of Canadian Municipalities report on municipal infrastructure indicates possible costly replacements will be required to maintain existing services. If new housing initiatives can be located in areas with existing excess service capacities fewer funds will be required for providing new infrastructure and transportation improvements. Limited funds can then be directed to maintaining existing services.

Neighbourhood Criteria

In addition to excess service capacities, some neighbourhoods have other characteristics which may make them appropriate for increasing housing choice. These include community acceptance of increased density, the changing housing needs of existing residents, and attractiveness of the neighbourhood to new households. In undertaking this work we are very sensitive to the concerns raised by many respondents to **The Vancouver Plan** who said that density increases must not detrimentally impact on neighbourhoods. Therefore, work on neighbourhood criteria has two components: clarification of housing stock and household needs and identification of ways to meet these needs while maintaining livability. The following work is programmed for 1985:

Housing Needs Analysis. Planning for future housing requires an understanding of the changing needs of households now living in the city and some estimates of future increases in demand. Statistics Canada and Greater Vancouver Development Services are assisting the Planning Department to assemble information.

Update of social housing targets. Affordability continues to be a concern of at least one-third of city households. Estimates of unmet demand, last calculated in 1980, are being updated as a basis for establishing new social housing targets.

Neighbourhood profiles. The neighbourhood profiles will describe household patterns and identify those areas which best meet **The Vancouver Plan** criteria of community acceptability, accessibility, amenity, and marketability. This work is scheduled to start by mid-year.

Public opinion survey. It is vital that we have a better understanding of community concerns in neighbourhoods which have not participated in local area planning during the past decade. One way of gathering this data is through a public opinion survey. A preliminary review of survey costs suggests that they exceed resources available in the 1985 Planning budget. We have, however, set aside some staff time to further explore the feasibility of neighbourhood surveys and sources of funding and report back to Council.

Programs to enhance livability. When new housing is built in existing neighbourhoods, it must be added in a manner which minimizes disruption and maintains livability. A study of the physical, social, and economic impacts of CD-1 infill developments in single-family areas is almost complete and will be reported to Council before mid-year. We will also identify other initiatives (such as noise mitigation) which could increase compatibility and livability.

Review of secondary suite issue and alternative forms of housing intensification. Resources are not available in the 1985 Planning Department program for a major review of secondary suites and other small-scale intensification initiatives. However, we have allocated some staff time to review this task and will report to Council on a work program to review secondary suite policies and explore other housing forms such as duplex, triplex, and accessory cottages which may be compatible with existing single-family homes and, thus, acceptable to existing residents.

Based upon the analysis of cost and neighbourhood criteria, areas which may be most appropriate for density increases will be identified and reported to Council along with recommended planning programs to discuss the housing possibilities and other neighbourhood livability concerns in a comprehensive way. We will also prepare a public information program on future housing requirements to assist Vancouverites to understand and discuss the potential tradeoffs implied by different strategies.

STAFFING

The 1985 housing program outlined in this report is being undertaken with staff resources equivalent to two planners and one planning assistant. This is a small staff commitment considering the magnitude and complexity of the task. It will be late in 1985 or early in 1986 before Council receives recommendations on specific actions.

The task of recommending a comprehensive response to Vancouver's housing, employment, transportation, and urban environment needs is not easy. We have reviewed planning initiatives in other Canadian cities and have been unable to find a similar program which, in a comprehensive way, considers housing requirements and residential service capacities and costs. This, in part, reflects the unique challenges facing Vancouver. Thus we are being frugal in our allocation of resources, preferring to move slowly into this new field. We have chosen to allocate modest resources to each task and report back to Council if a job looks particularly promising and worthy of additional resources.

CONCLUSION

Work has started on the implementation of the housing initiatives outlined in **The Vancouver Plan**. Several areas--for example B.C. Place and around ALRT stations --are already under intensive planning and could contribute an additional 13 000- 15 000 units of new housing potential. While this potential will meet some short-term needs it is not a solution to the longer-term employment-housing imbalance.

The work program outlined in this report and described on the attached chart provides the basis for a longer-term strategy for monitoring, maintaining, and increasing the city's housing supply.

In summary, during 1985 the Planning Department will report back on the housing tasks outlined in **The Vancouver Plan** work program. Staff will focus on the search for areas where density increases should be considered. Locations to be considered first will be those which minimize public costs, maximize net unit yield, build on community acceptance, and expand housing choice as community needs change. A program will be proposed which considers housing opportunities in tandem with other neighbourhood concerns. Recommendations on areas suitable for more housing and a program to initiate community development discussions will be reported to Council early in 1986.

Existing resources are insufficient to prepare recommendations on four tasks which are vital to the long term implementation of the housing program. These are:

- A program to resolve issues concerning secondary suites;
- Identification of acceptable alternative higher-density, grade-related housing forms;
- Identification of actions the city can take to enhance livability as density increases;
- Area specific surveys of public opinion on increasing housing opportunities.

During 1985 staff will review these issues and report back to Council on more explicit terms of reference and the costs of undertaking this work. This work can either be considered for the department's 1986 work program or initiated earlier if Council chooses to assign resources.

In **The Vancouver Plan** we identified a work program which included outlining a transportation investment strategy, a program to propose environmental improvement initiatives, and further exploration of growth management techniques. As reported in the Department's **Annual Review**, much of the transportation, environment, and employment work is being deferred to 1986. The principal focus of **The Vancouver Plan** followup work in 1985 will be on housing initiatives.

RECOMMENDATIONS

The Director of Planning RECOMMENDS:

THAT Council approve **The Vancouver Plan** housing work program described in this report.

1985 VANCOUVER PLAN HOUSING WORK PROGRAM